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SUBJECT: WADE LAUNCHES GOANA AS RESPONSE TO FOOD SHORTAGES

REF: A) DAKAR 424, B) DAKAR 236

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¶1. (SBU) Summary: In response to increasing reports of current and future food shortages in Senegal (Reftels), on April 18, President Abdoulaye Wade launched a confusing and fiscally questionable initiative he claimed will address current food insecurity and greatly increase future agricultural production. The initiative called GOANA (Grand Agricultural Offensive for Nutrition and Abundance) aims to boost production through mechanization, improved seeds, fertilizers and farming techniques, and to attract new investments by political and business elites into agricultural enterprises. It also includes significant government outlays for energy subsidies and new technology, including cloud-seeding airplanes. This overly ambitious plan is Wade's latest political response to a difficult food situation that is eroding his popularity. END SUMMARY.

A Land of Milk and Rice

¶2. (U) With members of his cabinet, parliamentarians and municipal executives gathered around him, President Wade asserted that there never has been famine in Senegal. He adamantly stated that there will be no food riots in Senegal. Instead, the implementation of GOANA, his new program to boost agricultural self-sufficiency, would start this summer with an increase of rice production from its current level of 215,212 metric tons (MT) to five hundred thousand tons in 2008, an increase of 400 percent. For 2008, Wade also announced targets of two million metric tons for maize production compared to 185,000 MT in 2007 (Note: All figures are those provided by the government. End Note.), three million tons for cassava compared 121,000 MT in 2007 and two million tons for cereals compared to 884,652 MT (to include 120,334 MT sorghum and 362,852 MT millet) in 2007. Asked whether the crop expansion is realistic, Prime Minister Cheikh Hadjibou Soumare said, "Wade's GOANA is really ambitious, and one has to be ambitious in Africa." As for milk production, almost nonexistent now, the target has been set at four hundred million liters. Senegal spends over two hundred billion CFA (USD five hundred million) per year importing rice and milk. President Wade also touted his government's record on electricity and cooking gas subsidies as an important complement to the fight against rising prices and the improvement of consumers' purchasing power.

¶3. (U) Other measures promoted by Wade under the GOANA proposal include the purchase of two planes for CFA five billion (USD 12 million) for cloud-seeding to provoke artificial rains. Wade also

promoted a new agriculture investment scheme that urges government ministers, members of the National Assembly and the Senate, senior civil servants, and private sector leaders to cultivate at least twenty hectares of land. Local authorities are to have additional control over the collection and sale of the harvests. [Note: it is not clear how these new plantations will be accorded to elites, but there is concern that existing small-holder farms will be disadvantaged. End note.] Wade claimed that he does not need any money from international partners to support his plan, but nevertheless urged the latter to provide quality seeds, equipment and efficient agricultural materials, fertilizer, and adequate technical assistance. In a separate statement Wade announced that he had secured a promise from Indian Prime Minister Singh to supply Senegal with 600,000 MT of rice for the next six years. A call to the Indian Embassy was met with skepticism that India would sell 15 percent of its yearly surplus to one country and they could not confirm the veracity of Wade's statement.

Food Plan is "False Hope"

14. (SBU) The idea behind GOANA is to end imports and promote self-reliance and self-sufficiency. Commenting on the plan, Robert Sagna, a former Minister of Agriculture and current Mayor of Ziguinchor, and an agronomist by trade, told Poloff: "Wade actually does not believe in the plan. He never said how much he will invest to make it happen and where the money will come from. In effect he will take from Peter to give to Paul. Furthermore, the plan is too late to be implemented this year. We do not have enough seeds or fertilizer and even if we did, they should have been planted in March." In Sagna's view, Wade's entourage "lacks rural sensitivity" because they are an "urban aristocracy" without the "fiber for farming". He noted that in Ziguinchor, a major peanut processing plant stands idle due to a deficit in production and that the rice fields of the Casamance are being tilled by aging farmers who are not fit for intensive labor and who also face the problem of salt invasion in their fields. In Senegal's northern River Valley, where

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two hundred and forty thousand hectares of land are available, he noted that the issue of land tenure will be a big hurdle to Wade's plan. Sagna thinks that the plan is no more than a catalogue of false hope and warned that unless there is rain this summer, food riots would be inevitable. FAS Agricultural Attache has conducted informal surveys among stakeholders and confirms that Senegal will be in a difficult position to significantly increase cereal production, mainly due to a lack of quality inputs and the means to purchase them. Seed quality is extremely poor, even for Senegal's most important crops, as the national system of seed research, propagation and farmer extension is effectively broken. Due to a lack of rural credit, farmers will need to rely on subsidies or donor interventions for both seeds and fertilizer, and it is nearly too late for the 2008 campaign.

Aid Not Alms

15. (U) The GOANA meeting also became a forum for President Wade to expound his views on aid. He ruthlessly criticized NGOs and the UN Food and Agriculture Organization (FAO) positing that "food aid is a vast swindle orchestrated by NGOs to the detriment of recipient countries." Using an anecdote from Niger he explained why he refuses to call for food aid; "President Tandja told me that out of USD 98 million allegedly collected a couple of years ago for food aid, Niger only received three." He denounced what he called "false doctors, caretakers of famine who provide life support to patients [i.e. poor African countries] for the sole purpose of collecting aid." He declared as alarmist a warning by Jacques Diouf (A Senegalese and head of the FAO) who said last week that food riots in developing countries would spread unless the world took steps to reduce food prices for the poor. Wade opined that the coming Rome Conference on famine should not be a round table where FAO begs on behalf of African countries and asked that FAO stop taking twenty percent of collected funds for its operation costs. "I don't want the FAO to become forever an outstretched hand for Africa," Wade said. For Wade, some partners "do not have Africa's emergence from

destitution as their primary concern." He called for concrete aid in the form of equipment, seeds, fertilizers, and know-how.

More Immediate Measures

¶16. (U) According to the World Food Program, the most vulnerable population in Senegal numbers about 660,000 in seven departments and the food assistance needs in those departments are about 29,000 tons. Some experts believe the WFP assessment significantly understates the hunger risk in Senegal. Prior to the announcement of GOANA, the government had taken some concrete steps to help stabilize the price of daily commodities, including the suspension of customs duties and the elimination of VAT on wheat, rice, and milk, and rolling back vegetable oil price increases previously imposed by the country's dominant processor and importer, SUNEOR. In addition, the GOS proposed the creation of price reference grocery outlets, the decrease of income tax by CFA 6 billion (USD 12 million), and has fixed ceilings on internal transportation costs of imported rice in order to control its retail price in remote regions. The government also has set reference prices for rice and many other commodities. Though the GOS estimates the cost of these measures at CFA 152 billion (USD 361 million), including CFA 98 billion (USD 233 million) from cooking butane gas and electricity subsidies, it remains difficult to confirm the reliability of these numbers, with actual government commitments being higher. According to a senior member of the presidency, aside from reducing civil servant salaries, President Wade is prepared to make any budgetary cuts necessary to support food prices.

French Ambassador's reaction

¶17. (U) French Ambassador Jean Christophe Rufin, who spent several years working in NGOs, commented in an interview that it would be at least ten years before dietary self-sufficiency can be attained in Senegal. He then urged the reform of the banking system so that farmers could have access to credit to produce two harvests.

Comment

¶18. (SBU) In reality, the announcement of GOANA is largely a political gambit to buy time until the coming rainy season brings (hopefully) relief in the form of improved harvests at the end of the summer. Meanwhile, Wade will play on the traditional Senegalese notion that an inability to feed oneself is shameful and will seek to appeal to people's ingrained sense of stoicism. However, the

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government plan to increase domestic production will do little for many (if not most) Senegalese families who do not suffer from a lack of supply but a lack of purchasing power. With millions of Senegalese likely are already skipping their mid-day meals, more concrete steps by the GOS are required, such as securing and pre-positioning food aid (with or without donor assistance). The budget implications of rushed and overly-optimistic production schemes, technologies, and subsidies also must be seriously addressed. This includes the country's energy subsidies, which, at up to three percent of GDP, the IMF and donors note have been a major cause of the country's persistent budget deficit, and have detracted from the country's ability to improve agricultural production.

SMITH